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Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 69/231 and Economic and Social Council resolution 2014/29, in which the Secretary-General was requested to submit a progress report on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action). In resolution 69/231, he was also invited to report on progress made towards including the implementation of the Istanbul Programme in the agenda of the United Nations System Chief Executives Board for Coordination.

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I. Introduction

1. Four years ago, the global community gathered in Istanbul, Turkey, from 9 to 13 May 2011, at the Fourth United Nations Conference on the Least Developed Countries and adopted the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action). The Programme of Action was framed as a compact between the least developed countries and their development partners and geared towards achieving sustainable development, poverty eradication and structural transformation in the least developed countries. Eight priority areas of action, underpinned by 47 goals and targets to be achieved by 2020, define the compact (see A/67/88-E/2012/75 and Corr.1). The Istanbul Programme of Action also makes some provisions for follow-up and monitoring mechanisms. The present report is one such mechanism.

2. Section II of the report provides an overview of the recent performance and prospects of the least developed countries. Section III assesses the rate of progress towards achieving the goals and targets of the Istanbul Programme of Action. Section IV reports on actions by least developed countries, development partners and other stakeholders, including by the United Nations system, in advancing the implementation of the Programme of Action. Section IV also contains a narrative on preparations for the comprehensive high-level midterm review of the Istanbul Programme of Action, on progress towards graduation and on South-South cooperation. Section V concludes and offers some policy recommendations aimed at scaling up the implementation of the Programme of Action.

II. Recent performance and near-term prospects

3. Recent developments in many least developed countries echo two distinguishing features of growth dynamics in that group of countries: the relatively low pace of economic expansion given their level of development and growth potential, and the volatility of such expansion.

4. The gradual economic rebound that has been under way in many least developed countries since 2013 was halted in 2014. Reflecting that development, gross domestic product (GDP) growth for the group decelerated to 5.1 per cent in 2014, down from 5.4 per cent posted in 2013. An important manifestation of the deceleration in the pace of economic growth is a reduction in the number of economies of least developed countries that advance by 7 per cent or more, which is the GDP growth target of the Istanbul Programme of Action. Ten least developed countries grew at a speed close to and more than that target in 2014, compared with 13 in 2013. That performance falls short of the level required to significantly improve economic and social conditions in the least developed countries.

5. The deceleration of economic growth in many least developed countries was the by-product of a set of national, regional and international factors. Dragged down by declining oil prices, temporary reduction in oil production and a slowdown in agricultural output growth, the economy of Angola, which is the second largest among the least developed countries, advanced at a slower pace than in 2013. GDP growth of the Sudan was also limited owing to continued adjustment to the significant reduction in oil production and fiscal revenues following the independence of South Sudan. The severe floods that affected parts of Solomon

Islands, combined with the closure of the country's gold mine, conspired to depress its GDP growth. The most emblematic of all growth decelerations in 2014 were, however, those recorded in the countries most affected by Ebola (Guinea, Liberia and Sierra Leone), and in South Sudan. GDP growth slowed considerably in Guinea, Liberia and Sierra Leone as farms were abandoned; mining operations were stopped; travel restrictions and the closing of borders limited the movement of goods, services and people; and investments were put on hold or cancelled. Disruptions in oil production and exports caused by protracted civil conflict and a fall in agricultural output driven by adverse weather conditions also resulted in a severe contraction of economic activity in South Sudan in 2014.

6. A number of least developed countries, although not in a deceleration cycle, remained mired in prolonged slow growth. That was particularly the case for the Comoros, Guinea-Bissau, Kiribati, Tuvalu and Vanuatu, all of which are small island developing countries. Underlying the sluggish growth rate in those countries are, among other things, their narrow production and export bases and greater exposure to exogenous shocks.

7. Consistent with patterns of previous years, growth rates were not uniformly distributed across the least developed countries. The growth story told by that group of countries in 2014 was not one of economic stagnation, contraction and deceleration only, although those weighed significantly on the aggregate GDP growth for the group. A few economies of least developed countries continued to display signs of remarkable strength even in the face of a frail international economic environment. Ethiopia, the Lao People's Democratic Republic, Mozambique, Myanmar and the United Republic of Tanzania maintained stellar growth rates similar to those sustained prior to and after the adoption of the Istanbul Programme of Action. The common thread running through the experiences of those countries was the broad nature of their economic expansion, in particular the growing dynamism in sectors other than agriculture, such as construction, services and manufacturing and/or the extractive industries. Those growth experiences were supported by large public sector investment in infrastructure development and strong foreign direct investment (FDI), both of which enhanced productive capacity. Growth in Bangladesh, the largest economy in the group, continued to be robust, helped by strong domestic demand.

8. Looking ahead, aggregate GDP growth for the least developed countries is expected to level out in the short run, reaching 5.9 per cent in 2015, up from the 5.1 per cent estimated in 2014. The improvement in the group's economic growth reflects in part expectations for an improved security situation in the Central African Republic, Mali and South Sudan, a return to the pre-2014 level of oil output in Angola and large foreign-financed infrastructure projects in Solomon Islands, all of which are buoying economic activity in those countries. Elsewhere across the least developed countries, growth is expected to display similar features as in 2014.

9. The overall strength and breadth of the expected economic revival in 2015 seems modest, however, particularly in view of the numerous development challenges before the least developed countries. Worse still, the outlook for 2015 is subject to risks, with negative weighting. One of those risks pertains to the economic outlook in the economic partners of least developed countries, particularly in emerging economies such as China and India, which will influence the demand and price for exports and the volume of FDI flows channelled to the countries. The

same holds true for the economic conditions in traditional development partners, which also determine the pace of the group's exports growth, tourism receipts, remittances and official development assistance, and therefore of least developed countries short-term growth prospects. Another risk relates to the security situation, particularly in the Sahel, as well as political uncertainties. The recent Ebola outbreak, although subsiding, poses a threat to growth and development in a number of African least developed countries. Adverse weather and climate conditions could also depress agricultural output and slow activity in other sectors, thereby constraining economic growth more than expected.

10. The risks and uncertainties associated with the outlook and the persistent pattern of relatively weak and volatile economic growth are symptomatic of the limits to the production structures of the least developed countries and their extreme structural vulnerability to shocks. Lessons from success stories in a few least developed countries and from emerging countries suggest that those challenges can be effectively addressed through productive capacity-building and structural transformation.

III. Progress on the implementation of key priorities of the Istanbul Programme of Action

11. Of the eight priority areas for action of the Istanbul Programme of Action, building productive capacity has the most far-reaching impact on the other seven priorities. Productive capacity is not measured solely through the success with which productive assets are built but also through dynamic structural changes taking place in the economy. Those changes include increased labour productivity, which should lead to more decent jobs, sustainable and inclusive economic growth and economic diversification, in particular through a growing range of higher value-added and technology-oriented goods and services.

A. Productive capacity-building

12. Changes in the sectoral composition of GDP, particularly in favour of sectors with higher productivity, have been much slower in many least developed countries than in other developing countries. The share of manufacturing in least developed countries declined slightly from an average of 10.3 per cent in 2001-2010 to 9.6 per cent in 2011-2013.

13. A major drag on building productive capacity across the least developed countries was low investment rates. Gross capital formation as a percentage of GDP rose only modestly, from an average of 21.4 per cent in 2001-2010 to 24.5 per cent in 2011-2013. By comparison, the investment rate of China averaged 35 per cent in the 1980s, when its per capita income was comparable to that of the least developed countries today.

Infrastructure

14. The expansion of the mobile telephony industry continued to be remarkable. Over 56 per cent of the population of the least developed countries subscribed to mobile/cellular telephone services in 2013 compared with only 49 per cent in 2012.

The Gambia reached a 100 per cent subscription rate for the first time in 2013, joining Cambodia, Mali and Mauritania, where the rate exceeds 100 per cent. By contrast, Eritrea, Kiribati and Myanmar had cellular subscription rates below 20 per cent. However, even in countries that did relatively well, important rural-urban disparities remain and need to be bridged.

15. The rate of Internet usage continued to be marginal. The highest rates were found in Bhutan, Sao Tome and Principe, the Sudan, Senegal, Tuvalu and Yemen, where 20 per cent or more of the population had access to the Internet in 2013. At the other end of the spectrum, fewer than 2 in 100 people had access to the Internet in Burundi, Eritrea, Ethiopia, Guinea, Myanmar, the Niger, Sierra Leone, Somalia and Timor-Leste.

16. Access to broadband was very low in the least developed countries. As at September 2013, over 90 per cent of the population of the least developed countries were without broadband access.[1] Least developed countries therefore continued to miss out on opportunities for promoting social and economic development, enhancing governance through improved transparency, increasing access to learning and health care and empowering women, girls and boys, as well as lowering retail prices.

17. In recognition of the interconnection and interaction among all modes of transport, and their bearing on economic growth and development, the Istanbul Programme of Action set a target for substantial increases in combined rail and paved road mileage and sea and air networks by 2020. An initiative to build a new East Africa railway connecting Burundi, Kenya, Rwanda, South Sudan and Uganda was launched in 2014. Other new initiatives in 2014 included railways connecting Ethiopia and Djibouti, the Chad railway network and extending the railway linking China to Bhutan, India and Nepal. Some projects have been completed, including the Benguela railway connecting Angola, the Democratic Republic of the Congo and Zambia. The overall length and conditions of the railway networks in many least developed countries, however, still lag far behind those of other developing countries.

18. Road networks and conditions continued to improve, although not at the pace required to make a significant impact. Sections of regional highways in Africa and Asia are under construction. Despite those improvements, many transport corridors continued to display missing links, especially in least developed countries in Africa.

19. The volume of freight air transport volume has more than doubled and the number of air passengers has tripled in the least developed countries from 2000 to 2013. However, the volume was still a fraction of that of all developing countries. Air connectivity could be further expanded if the stock of physical infrastructure were refurbished and expanded, institutional and regulatory frameworks under which the industry is operating were strengthened and safety conditions were improved.

20. The Liner shipping connectivity index, which is a good measure of maritime connectivity, points to an improvement in the least developed countries, increasing from 8.1 in 2013 to 9.0 in 2014. Major constraints to maritime connectivity remain across the least developed countries, however, and increasing maritime piracy off the coasts of East and West Africa thwarted maritime traffic and discouraged trade.

[1] Broadband Commission for Digital Development, *The State of Broadband 2014: Broadband for All* (Geneva, 2014). Available from http://www.broadbandcommission.org/documents/reports/bb-annualreport2014.pdf.

Energy

21. Only one in three people in least developed countries is connected to a power supply, a percentage varying widely from 1.5 per cent in South Sudan to 76.3 per cent in Nepal and between urban and rural areas.

22. Some success stories include large-scale investments in expanding the power infrastructure in some countries and some small hydroelectric and biomass projects. Renewable energy is also at the core of many rural electrification programmes currently being pursued in many least developed countries.

23. Factors leading to such progress included a widening of the sources of finance for the energy sector as well as stronger public-private partnerships, such as the Secretary-General's Sustainable Energy for All initiative, which promotes partnerships among governments, business and civil society. Improved governance enabling institutional regulatory frameworks and support for bankable energy projects will be required to attract additional investment to the sector.

Science, technology and innovation

24. FDI inflows, the payment of royalties and licensing fees, capital goods imports and trade in high-technology products are some of the most common channels through which technology is acquired and used and innovation is fostered. However, those channels do not operate fully in the least developed countries owing to the expense of such transactions.

25. Furthermore, public resources earmarked to research and development are marginal, as is the number of scientists. Expenditure on research and development averaged only 0.2 per cent of GDP. The ratio of researchers in research and development per million people is as low as 5.9 in Lesotho and as high as 361.3 in Senegal.

26. The flexibilities offered by the intellectual property rights regimes of the World Intellectual Property Organization and the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights are not fully utilized, in part because of their temporary nature and the loose monitoring of their compliance.

27. The proposal by the Secretary-General of a technology bank dedicated to the least developed countries, comprising a patent bank, a science, technology and innovation mechanism and a science and technology research depository, is expected to help address challenges related to technological acquisition and innovation in least developed countries. A high-level panel on the feasibility of a technology bank for least developed countries met in Gebze, Turkey, on 16 and 17 February 2015, and agreed to prepare a feasibility study for the establishment of a technology bank and a science, technology and innovation supporting mechanism dedicated to the least developed countries.

Private sector development

28. Many least developed countries continued to pursue institutional and regulatory reforms geared towards fostering private sector development. As a result of those reforms, Benin, the Democratic Republic of the Congo, Senegal and Togo rank among the top 10 countries in the world in terms of having eased obstacles

associated with the creation and running of businesses.[2] Some of those reforms were pursued in the context of regional initiatives, such as that of the Organization for the Harmonization of Business Law in Africa.

29. Obstacles to further progress included the large size of the informal sector, the limited growth potential of small enterprises resulting in a limited number of medium-sized firms and persistently low productivity. Unlocking the development potential of the private sector will require a more comprehensive approach, building on existing reforms while strengthening the productive capacity of firms, especially small and microenterprises.

B. Agriculture, food security and rural development

30. The prevalence of undernourishment in least developed countries decreased from 28.6 per cent in 2009-2011 to 27.5 per cent in 2012-2014, but the number of chronically undernourished rose, reaching 246.7 million in 2012-2014. That makes the least developed countries home to 30 per cent of the global population living with hunger, while accounting for only 12 per cent of the world population. A good indication of the magnitude of the challenges before the least developed countries is the scorecard of progress towards halving the number of chronically underfed people based on levels in 1990. In 2014, only Djibouti, Mali, Myanmar and Sao Tome and Principe met the target of halving the number of chronically underfed people based on levels in 1990.

31. The majority of households in least developed countries are in rural areas and rely on low-productivity and subsistence agriculture as their main source of employment and living. Low productivity implies weak purchasing power, limited access to food and the exposure of countries that are net food importers to price fluctuations in international markets. Significant nutritional imbalances in diets, particularly lack of proteins, vitamins and other nutrients, also result in a high prevalence of malnutrition even in some least developed countries that have made inroads towards reducing hunger.

32. Addressing food and nutrition security involves enhancing governance for food security and improving labour productivity, such as through the use of adequate technologies and farm management practices and by addressing issues related to access of small farmers and women to land, credit and extension services. The complex nature of the problems requires a holistic and multi-stakeholder approach targeting agricultural production and productivity, rural development, resilience-building, education and health, public works, trade and markets.

C. Trade

33. Despite declining commodity prices, exports of goods and commercial services of the least developed countries totalled $250.0 billion in 2013, a growth of 5.3 per cent compared with only 0.6 per cent in 2012. Imports of goods and commercial services amounted to $310.6 billion in 2013, a growth of 6.6 per cent in 2013 compared to 9.2 per cent in 2012. Increased trade flows in least developed countries in 2013 were driven by significant increases in volumes, which were the

[2] World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, D.C., 2014).

strongest since 2008. In real terms, exports are estimated to have risen by 8.8 per cent whereas imports rose by 9.4 per recent, widening trade deficits. The persistent deficit in current accounts is a major challenge for least developed countries.

34. The share of least developed countries in world trade rose marginally, from 1.13 per cent in 2012 to 1.14 per cent in 2013. With seven years remaining before 2020, the year for which a goal was set to increase the share to 2 per cent, least developed countries exports will have to expand by more than double the pace of expansion of world exports if that target is to be met.

35. Limited productive capacities and export structures dominated by primary commodities block the needed export dynamism that exports of non-primary goods and higher value-added and technology services require. Even in countries that made progress in manufactured goods exports, textile products accounted for much of those exports. Exports of services increased strongly, although from a low basis, and have become more diversified, with computer and information services growing by 24 per cent in 2013, which is the strongest expansion in the industry. The limited product diversification of least developed countries exports contrasted with the geographical broadening of trade destinations, with developing countries receiving 55 per cent of exports in 2013 compared with 52 per cent in 2012.

36. Progress in granting duty-free, quota-free market access to least developed countries was limited during the period under consideration. Chile and China extended duty-free, quota-free treatment for least developed countries to 99.5 and 97.0 per cent of their tariff lines, respectively. Average tariffs on exports from least developed countries have also declined significantly, but as tariffs on exports from other developing countries also declined, the marginal tariff preferences enjoyed by least developed countries over other developing countries shrank, particularly for manufacturing products.

37. Least developed countries also face high trade costs associated with poor inland transportation infrastructure and, for landlocked least developed countries, cross-border bottlenecks. Those costs further undermined the competitiveness of their exports and increased the costs of their imports.

38. The agreements in the "Bali package" resulting from the Ninth Ministerial Conference of the World Trade Organization, held in Bali, Indonesia, from 3 to 6 December 2013, relating to least developed countries need to be implemented, with further refinements needed for the 15-year service waivers and the rules of origin. The waivers should cover services by natural persons, as categorized under mode 4 of the General Agreement on Trade in Services, in which the least developed countries have comparative advantage. Developed-country WTO members need to improve existing duty-free, quota-free product and country coverage. Evidence suggests that achieving the Doha Round objective of full duty-free, quota-free coverage remains a valuable goal for the least developed countries group, as the exclusion of even a relatively small number of products has an impact on exports, given the concentration of individual least developed countries in a narrow range of products. Setting voluntary guidelines on rules of origin is important but not sufficient, as that leaves it to the discretion of the preference-extending country to abide by them or not.

D. Commodities

39. The commodity boom of the late 2000s further deepened the dependence of most least developed countries on primary commodities. Despite softening commodity prices, the share of primary commodities, precious stones and non-monetary gold as a percentage of least developed countries total merchandise exports stood at 77 per cent in 2014, similar to the mid-2000s.

40. A few least developed countries, however, made major strides towards structural transformation, increasing the importance of manufacturing and services in their economies by increasing the number of goods and services produced and exported and through upgrading their quality. Countries such as Bangladesh, Cambodia, Ethiopia, Mozambique and the United Republic of Tanzania are cases in point, but still face the need to nurture and consolidate the progress made in diversification and to enable major players in the global textile industry to move up the ladder towards higher value-added and technology-oriented content and make their performances sustainable.

E. Education and training

41. Net primary enrolment in least developed countries increased from 83 per cent in 2010 to 84 per cent in the period 2011-2013, though progress in completion rates of primary schooling was slow. An increasing number of children were enrolled in primary education, and gender parity at that level of education was achieved in some of the least developed countries.

42. The rate of enrolment in secondary education in the least developed countries increased moderately but was still low at 43 per cent, compared to 69 per cent in all developing countries. However, class sizes have decreased somewhat in both primary education, from 46 pupils per teacher in 2010 to 43 in the period 2011-2013, and secondary education, from 28 to 26 pupils per teacher. Factors hindering further progress included the limited qualifications of teachers and the inadequacy of classroom equipment.

F. Population and primary health

43. As a result of investments in health infrastructure and national health systems, improved nutrition and care for children and their mothers, increased access to reproductive health care and expanded immunization campaigns, progress was made in reducing child mortality rates in most of the least developed countries, though not at a rate sufficient to achieve the Millennium Development Goal target of a two-thirds reduction from 1990 levels. On average, mortality of children under the age of 5 in the least developed countries was still much higher than in other developing countries at 81 deaths per 1,000 live births in 2013. Bangladesh, Ethiopia and Liberia met the target and 14 other least developed countries reduced child mortality rates by 60 per cent or more.

44. Most least developed countries are not expected to meet the Millennium Development Goal target of a three-quarter reduction in maternal mortality rate from 1990 levels, although Bhutan, Equatorial Guinea and Nepal have already met

the target. Their progress is partly the result of large increases in the proportion of births attended by skilled health personnel in those countries.

45. The prevalence of HIV as a percentage of the population aged 15-49 in the least developed countries declined marginally from 2.0 per cent in 2010 to 1.9 per cent in 2013. Lesotho, Malawi, Mozambique and Zambia still had prevalence rates in excess of 10 per cent. Mortality rates due to AIDS declined, owing to greater access to antiretroviral drugs which were available to 58 per cent of the population in least developed countries in 2012. Cambodia exceeded 95 per cent coverage, while Rwanda and Zambia exceeded 80 per cent. Some progress was also made in reducing the number of malaria and tuberculosis cases, but with 192 and 231 new cases per 1,000 people in 2012, respectively, least developed countries still had some of the highest rates in the world.

G. Youth development

46. Least developed countries in general have a higher fertility rate, and therefore attach greater importance to youth employment. People under the age of 25 comprise 61 per cent of the population of least developed countries, which is one of the highest rates in the world.

47. The literacy rate among young persons aged 15-24 rose from 70 per cent in 2000-2009 to 77 per cent in 2010-2012, with female youth literacy converging with that of male youth. However, more literate youth were unemployed in 2013, with more than 10 per cent of the population aged 15-24 unemployed in 24 least developed countries.

48. Limited education, lack of working skills and high youth unemployment contributed in turn to considerable youth underemployment and low-income self-employment, often in the informal sector. Employment-to-population ratios for youth aged 15-24 were considerably and consistently lower than those for the population as a whole across the least developed countries.

H. Shelter

49. The shortfall of adequate housing in the least developed countries is partly the result of increased demand due to the rapid pace of population growth as well as the needs of refugees and internally displaced people in countries during and after conflict. It is also due to inadequate supply of affordable housing resulting from high construction costs, insufficient finance for housing and insecure land tenure rights.

50. The lack of adequate shelter is especially acute in urban areas. The high prevalence of slums is related to problems such as lack of access to improved drinking water and improved sanitation, insecure tenure, non-durable housing and overcrowding. Of the 25 countries where over 50 per cent of the urban population lives in slums, 19 were least developed countries. Three out of four people living in urban areas in the Central African Republic, Chad, Ethiopia, Madagascar, Mozambique and the Niger were slum dwellers.

51. One of the reasons for the problems experienced in unplanned urban areas is an insufficient allocation of space to streets. A recent study using geographic

information systems found that less than 15 per cent of land in many African cities, including in African least developed countries, is dedicated to streets, compared to the recommended 25-30 per cent necessary to allow for basic water and sanitation systems to be accommodated.[3] The problem was even more severe in suburban areas, which often have less than 10 per cent of land allocated to streets, leading to widespread and unplanned urban settlements.

I. Water and sanitation

52. The proportion of people in least developed countries without access to safe drinking water decreased from 49.9 per cent in 1990 to 34.1 per cent in 2012, while the proportion of people without access to basic sanitation decreased from 80.9 per cent in 1990 to 63.9 per cent in 2012, meaning the least developed countries are unlikely to meet the Millennium Development Goal target of halving the 1990 proportion by 2015.

53. Access to improved drinking water in the least developed countries increased from 59.4 per cent in 2005 to 65.9 per cent in 2012, with Bhutan, Sao Tome and Principe and Tuvalu achieving near universal access. Large urban-rural differences persisted, however, with an access rate in 2012 of 83.7 per cent in the former, compared to only 58.7 per cent in the latter. By contrast, only a little over a third of the population in least developed countries had access to basic sanitation facilities in 2012, with 30.8 per cent in rural areas and 47.3 per cent in urban areas.

54. The uneven distribution of access to improved drinking water and basic sanitation has serious impacts on health, education and environmental outcomes. It also negatively impacts progress towards gender equality, given that women and girls often carry the burden of collecting water.

J. Gender equality and the empowerment of women

55. Over one third of the least developed countries have already met the target of gender parity in primary education, with 12 countries exceeding it in 2011-2012. The situation also improved in secondary education, with Bhutan, Bangladesh, Lesotho, Rwanda and Sao Tome and Principe all exceeding the parity target in 2011-2012. Parity in tertiary education, however, was still a challenge, with the percentage of female students rising only moderately from 36 per cent in 2009-2010 to 38 per cent in 2011-2012.

56. In spite of those gains, the specialized training of most female students and insufficient policies and practices affecting work and family implied that most women continue to work in the informal sector. In 2013, 10 least developed countries had employment-to-population ratios of less than 50 per cent for women. In addition, as in many other countries, the very limited access by women to productive assets such as land and capital and the persistence of violence against women and girls restrict the contribution of women to development.

57. The political representation of women, however, showed continuing signs of improvement, especially in parliaments. The percentage of women in parliaments

[3] *Millennium Development Goals Report 2014* (United Nations publication, Sales No. E.14.I.10).

more than doubled from 9.2 per cent in 2001 to 21.3 per cent in 2014. Women hold a third or more of parliamentary seats in Angola, Mozambique, Rwanda, Senegal, Timor-Leste, Uganda and the United Republic of Tanzania. Of the nine countries that posted the greatest increase in women's representation in parliaments in 2013, two are least developed countries (Equatorial Guinea and Togo). Part of the progress was the result of legislated quotas for women's representation in national parliaments.

K. Social protection

58. Formal safety nets deployed by many least developed countries include schemes focusing on continued access to basic services, reducing income and consumption poverty and promoting household investments in human capital to decrease intergenerational poverty. Some cash or in-kind transfers are conditional on children's school attendance, such as the Education Sector Support Programme in Cambodia or the Nationwide Female Stipend Programme in Bangladesh. Nepal enacted several cash transfer programmes in the areas of pensions, child grants and single women's allowances.

59. Some least developed countries use income generation schemes for social protection, designed to provide cash or in-kind remuneration of workers through wage employment or to maintain public infrastructure such as roads, flood control barriers and conservation measures. Bangladesh and Ethiopia both used public work programmes to generate cash wages for workers, including the Rural Employment Opportunities for Public Assets programme in the former, and the Productive Safety Nets Programme in the latter.

L. Economic shocks

60. Many least developed countries have been increasingly economically vulnerable since 2010 owing to an increased magnitude of and further exposure to shocks coupled with a limited ability to withstand them. Declining commodity prices have caused export receipts and government revenues to decline and current-account and fiscal balances to deteriorate. In least developed countries with managed-float or fixed exchange rate regimes, part of the enlarged current-account balances were financed through drawing on foreign exchange reserves.

61. Furthermore, the ratio of total reserves to external debt increased, and debt service as a percentage of exports of goods and services has levelled off since the adoption of the Istanbul Programme of Action. Weakened macroeconomic buffers such as foreign exchange reserves have made the positions of least developed countries worse than before the global economic and financial crisis. With fiscal positions much weaker than in 2010, those countries are also less likely to mount effective fiscal stimuli in the event of major macroeconomic shocks.

62. Building resilience to shocks will be mostly achieved through promoting economic diversification and transformation in the medium term. In the short run, global countercyclical financing is essential. Significant progress in that regard since the global crisis has included considerable global reforms within international financial institutions leading to expanded countercyclical financing, and reform and renewal of related facilities. Concomitantly, regional and bilateral central bank

liquidity swaps have increased. However, most of the initiatives have targeted mostly middle-income countries compared to least developed countries or have bypassed least developed countries altogether. There is a need for designing additional and effective countercyclical financing and shock facilities for least developed countries and strengthening existing ones, although not at the cost of reduced long-term and concessional financing for productive capacity and infrastructure development.

M. Climate change and environmental sustainability

63. During the period 1980-2013, reports have come out that the least developed countries suffered 1.3 million climate-related deaths, accounting for 51 per cent of global casualties, although they are home to only 12 per cent of the world population.[4] The situation has worsened in recent years, with deaths associated with climate-related disasters in the least developed countries comprising 67 per cent of the world total.

64. Virtually all least developed countries have designed national adaptation programmes of action through multi-stakeholder processes. By doing so, those countries also set priorities that required immediate action. Some of the least developed countries went further by formulating national low-carbon resilience plans and strategies.

65. The total resources pledged to the Least Developed Countries Fund, established to assist least developed countries in the preparation and implementation of national adaptation programmes of action, reached $934.74 million in February 2015. So far the Least Developed Countries Fund has financed the preparation of 51 national adaptation programmes of action, of which 50 have been completed, and has approved the funding for 161 national adaptation implementation projects and for programmes in 49 least developed countries.[5] However, available resources for new funding approvals are limited and least developed countries have not been able to completely implement national adaptation programmes of action as a result of inadequate funding and limited capacities. Tuvalu, for example, is currently implementing a national adaptation programme, but the process is hampered by capacity constraints and limited access to climate change financing.

66. Commitments pertaining to climate finance have yet to be fulfilled. Between 2011 and November 2013, less than $4 billion was channelled to the least developed countries from developed countries to support their adaptation efforts, compared to the estimated global adaptation costs of between $86 billion and $109 billion required annually by 2015.

67. Deforestation is another environmental concern which has negative impacts on biodiversity and clean water and increases the erosion of soil and the release of carbon into the atmosphere. Forests are also economic assets, which when lost endanger the opportunities of livelihood in rural communities. The proportion of

[4] David Ciplet and others, "A burden to share? Addressing unequal climate impacts in the least developed countries", IIED Briefing Papers (International Institute for Environment and Development, November 2013).

[5] Forty-nine out of 50 least developed countries that received financial support completed their national adaptation programmes of action, including Cabo Verde and Maldives, which graduated from the least developed countries category in 2007 and 2011, respectively, according to the secretariat of the United Nations Framework Convention on Climate Change.

land covered by forests in the least developed countries decreased from 28.2 per cent of total land area in 2000 to 26.3 per cent in 2012. Of the 47 least developed countries for which data were available, only Bhutan, the Gambia, Lesotho and Rwanda experienced significant afforestation or natural expansion of forests between 1990 and 2012.

N. Disaster risk reduction

68. The least developed countries continued to face a higher risk of significant losses as a result of disasters. They not only face extreme shocks but also are very much exposed to those shocks. Estimates from the *Global Assessment Report on Disaster Risk Reduction 2015* global model suggest, for example, that Madagascar and Mozambique would have difficulties in absorbing the impact of a 1 in 3-25-year loss (i.e., a disaster that has a chance of occurring once in 3 to 25 years), compared with Canada and the United States of America, which would only face challenges in absorbing the impact from a 1-in-500-year loss. In an agriculture-dominated country such as Malawi, a drought would cause an estimated annual loss equivalent to 1 per cent of GDP as well as result in an additional 2.1 million people falling below the poverty line.[6]

69. The nine least developed countries which are also small island developing States face an existential threat from natural disasters. Compared to Central Asia and Europe, the estimated annual loss of capital stock is 20 times higher for small island developing States. Estimated annual losses for small island developing States are also equivalent to nearly 20 per cent of their total social expenditures, compared with less than 1 per cent in Europe or Central Asia. The unprecedented floods that hit Solomon Islands in April 2014 damaged infrastructure, housing, water and sanitation facilities and agricultural output, causing economic loss equivalent to 4.7 per cent of GDP.[7] Cyclone Pam, which struck Vanuatu in March 2015, has resulted in the destruction of up to 80 per cent of homes on Tanna island as well as a reduction in access to clean water, and is likely to cause a setback to the country's recent development gains. The earthquake that hit Nepal in April 2015 affected 8 million people, and its impact on agriculture-based livelihoods and food security is expected to be extremely high.

70. Important institutional changes relating to disaster reduction management took hold in many least developed countries, in particular with those countries paying growing attention to a holistic approach instead of merely an ex post disaster response. Of the 34 countries that reported integrating disaster risk reduction into their national development plans under the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters, eight were least developed countries (Burkina Faso, Ethiopia, the Lao People's Democratic Republic, Mauritania, Nepal, Solomon Islands, Vanuatu and Zambia).[8] A follow-up framework was adopted at the Third United Nations World Conference on Disaster

[6] United Nations, *Global Assessment Report on Disaster Risk Reduction 2015: Making Development Sustainable — The Future of Disaster Risk Management* (Geneva, 2015).

[7] International Monetary Fund, *Solomon Islands*, IMF Country Report No. 14/170 (Washington, D.C., June 2014).

[8] United Nations, *Progress and Challenges in Disaster Risk Reduction: A Contribution towards the Development of Policy Indicators for the Post-2015 Framework on Disaster Risk Reduction* (Geneva, 2014).

Risk Reduction, held in Sendai, Japan, from 14 to 18 March 2015. The Sendai Framework for Disaster Risk Reduction 2015-2030 addresses the disaster risk situation of localities and major vulnerable groups, as well as empowerment of persons with disabilities in planning for risk management and resilience. It calls for a multi-stakeholder approach and stronger and more coherent mechanisms to build resilience. It is critical that those recommendations be implemented.

71. Persistent challenges associated with disaster reduction management, as identified by the inter-agency secretariat of the International Strategy for Disaster Reduction, include limited financial and human resources; weak capacity at the local level, which undermines the implantation of land use plans and building codes; poor coordination between stakeholders and a lack of information-sharing on risk assessment, monitoring and evaluation, early warning, disaster response and other disaster risk management activities; and insufficient policy coordination on integrating climate change risks into disaster risk management strategies.

O. Domestic resource mobilization

72. The rate of domestic savings in least developed countries declined slightly from 21.4 per cent in 2012 to 19.9 per cent in 2013. That development largely mirrored declining domestic savings rates in the largest mineral- and oil-producing least developed countries, in particular Angola and Equatorial Guinea. Government savings, the main driver of domestic savings in those countries, were negatively affected by declining commodity prices, which translated into reduced income from production sharing agreements and weaker royalties and corporate income tax on oil and mining companies. The ratio of government revenue to GDP excluding grants increased, with half the least developed countries collecting at least 15 per cent of GDP as revenues in 2012 compared with 11 per cent in 2001.

73. Although domestic resource mobilization has improved, the current level stands far below the potential of the least developed countries. A good illustration of the room for manoeuvre that many least developed countries have in improving their tax collection is the level of their tax-to-GDP-potential, which captures a country's ability to raise taxes given its specific economic, social and institutional features. The difference between tax-to-GDP potential and actual tax-to-GDP stands at 7.5 percentage points in Bangladesh, 6.7 percentage points in Bhutan and 6.2 percentage points in Afghanistan.

74. Mobilizing additional domestic resources required to build productive capacity in least developed countries demands ongoing efforts towards improving tax administrations and systems in those countries. That entails introducing taxpayer services, modernizing information technology systems and strengthening the capacity of tax officers. Those institutional reforms should be complemented by efforts to expand the tax base, including through the rationalization of exemptions, tax holidays and transfer pricing practices and the simplification of tax systems and enhancement of compliance.

P. Official development assistance

75. After increasing in 2013, thanks to one-off debt relief for Myanmar, bilateral official development assistance (ODA) flows to the least developed countries

dropped sharply in 2014, reaching $37.6 billion in real terms in a 15 per cent decline from 2013. Even excluding the debt relief for Myanmar, ODA flows to least developed countries in 2014 were still below the level reached in 2008, prior to the global and economic crisis.[9]

76. The growth in ODA flows in 2013 to the least developed countries reflected increased flows from Japan (86 per cent), the United Kingdom of Great Britain and Northern Ireland (33 per cent) and France (30 per cent), who are among the four largest Organization for Economic Cooperation and Development (OECD)/ Development Assistance Committee donors. The number of countries that fulfil the lower bound of the United Nations target performance in channelling at least 0.15 per cent of gross national income to the least developed countries also improved, with Belgium, Denmark, Finland, Ireland, Luxemburg, the Netherlands, Norway, Sweden and the United Kingdom meeting the target in 2013, as opposed to seven countries in 2012.

77. Progress in the quality of aid consisted of multilateral aid, particularly from the World Bank, being increasingly targeted at building productive capacity, strengthening public financial management systems of recipients and ensuring that donors use those systems. Commitments on delivering untied aid, however, have yet to be fulfilled, with 13 per cent of ODA channelled to least developed countries in 2013 still subject to requirements regarding suppliers in donor countries. Further, challenges related to fragmentation and predictability of ODA to the least developed countries also persisted.

78. Looking forward, there are indications that the declining aid trends are likely to be reversed in coming years. A survey of donor countries' spending plans through 2018 suggests that country-programmable aid is likely to increase from 2015. That highlights the importance of stronger commitments by the global community to additional, enhanced, preferential, concessional and targeted aid to countries most in need, particularly the least developed countries.

Q. Debt

79. Having declined for several years, the debt burden of many least developed countries rose again in 2013, although marginally, as a by-product of moderate post-crisis growth, the accumulation of new debt and the near-completion of the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative. External debt stock as a percentage of gross national income increased from 26 per cent in 2012 to 27 per cent in 2013.

80. As at January 2015, 35 of the 39 countries eligible under the Heavily Indebted Poor Countries Debt Initiative, including 29 least developed countries, had already attained the completion point, when full debt relief is provided. Three least developed countries, Eritrea, Somalia and the Sudan, had yet to start the process of qualifying for debt relief, whereas Chad had reached only the decision point, during which interim debt relief is granted.

[9] Country and sectoral breakdowns of ODA extended to least developed countries in 2014 are not yet available.

81. While the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative contributed to a large extent to the reduction in the debt burden of many least developed countries, those initiatives have not holistically addressed debt challenges facing that group of countries. Not all least developed countries are eligible for debt relief under the initiatives, while some of those that are face a real prospect of debt distress. Of the 14 countries that were at a high risk of debt distress as at January 2015, 12 are least developed countries and countries that recently graduated from the least developed country category. Of those 12 countries, 7 had already received debt relief through the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative.

82. Looking forward, the debt obligations of many least developed countries are likely to rise, with the countries increasingly reverting to non-concessional lending to finance infrastructure development. Those challenges, in addition to those which are inherent in previous debt relief initiatives, make the need for global sovereign restructuring mechanisms all the more important.

R. Foreign direct investment

83. The least developed countries continued to attract increasing FDI, with flows in 2013 of nearly $28 billion, a 14 per cent increase from 2012. Although increasing, the share of least developed countries in global FDI was still marginal, at only 2 per cent.

84. FDI flows to the least developed countries in 2013 saw the share of extractive industries decline while services and manufacturing rose. Furthermore, the share of developing countries as a source of FDI flows to the least developed countries is rising, as transnational corporations from those countries often acquire assets sold by transnational corporations in developed economies and therefore increasingly account for a significant share of announced greenfield projects.

85. Those recent developments need to be consolidated and expanded to least developed countries and particularly directed towards creating opportunities for value addition in natural resource sectors and developing productive capacities in agriculture, manufacturing and services, and integrating those sectors into the global production, value chains and distribution networks. That can be achieved through extending risk assurance and guarantee schemes as well as tax incentives to firms seeking to invest in the least developed countries in the context of investment promotion regimes, establishing technical support mechanisms to assist least developed countries in negotiating complex large-scale contracts, improving access to advisory support in investment-related dispute resolution and supporting least developed countries in establishing FDI-friendly regulatory and legal frameworks.

S. Remittances

86. Migrant remittance inflows to the least developed countries grew to $33.4 billion in 2013, a 3 per cent increase from 2012, compared with the double-digit annual growth rates sustained since 2011. Some of the reason for the deceleration of growth is the reduction in total flows remitted to Bangladesh, the largest recipient in the least developed countries, which declined by 2.7 per cent to $13.9 billion in 2013, driven in part by the reduction of its stock of migrants abroad.

However, the decline was offset by rising flows in other major remittance-recipients such as Nepal (15.8 per cent) and Haiti (10.5 per cent).

87. The cost of remitting continues to be a challenge. In some of the corridors, particularly those from remittance-sending countries to African least developed countries, costs of remitting continue to be exorbitant, partly because of limited competition among service providers. The introduction of money transfer services has somewhat reduced the costs of remitting but is yet to be generalized in many countries. Such services also present challenges that relate, inter alia, to safety and reliability safeguards and limited literacy required for their use.

88. In general, remittances are increasingly a major source of development finance for many least developed countries, and are sometimes larger than FDI and ODA. The flows are the most stable component of receipts in the current account, acting as an important source of foreign exchange and a major cushioning parameter against potential balance-of-payment difficulties.

89. Scaling up the development impact of remittances requires sustaining the recent growth of those flows, including through reducing the cost of remitting; ensuring that a significant part of flows are channelled towards building productive capacities, including through financial literacy and targeted policy initiatives; and improving conditions under which workers migrate to and work in host countries.

T. Governance at all levels

90. Commitments to good governance, both political and economic, continued to be strong in the least developed countries. Despite a few temporary setbacks the majority of the group adhered to global governance standards and made important strides towards implementing those standards. One aspect of the above is the periodic holding of multiparti:e elections to select rulers. Eleven are planned in 2015.

91. Many least developed countries are also parties to the United Nations Convention against Corruption, signalling commitments to prevent corruption, criminalize certain conduct, strengthen international law enforcement and judicial cooperation and offer effective legal mechanisms for asset recovery, among others. As at April 2015, 30 least developed countries had ratified the convention and 11 others had accepted it. An increasing number of least developed countries have also subscribed to the principle of governments disclosing how much they receive and extractive companies making public how much they pay, which is the guiding rule underpinning the Extractive Industries Transparency Initiative. As at April 2015, 13 of the 32 Initiative-compliant countries were least developed countries. A year ago, 10 least developed countries were compliant. In addition, of the 13 candidate countries for the Initiative, 5 are least developed countries.

92. Many least developed countries have now established processes through which the voices of parliaments, private sector and civil society are heard in the context of formulation, implementation and monitoring of national development policies and plans. Progress also continued with regard to the political representation of women, in particular in parliaments, although much remains to be done to ensure gender parity in the executive branches. Many least developed countries have initiated reforms in public financial management and procurement systems.

93. Following the economic and financial crisis, the global economic, financial and monetary governance systems underwent significant transformation, with greater voice and representation for emerging countries and other middle-income countries in particular. Least developed countries, however, are still largely underrepresented. None of the 48 least developed countries are represented in the Basel Committee on Banking Supervision or in the Financial Stability Board of the Group of 20. As a result, their concerns and priorities remain largely silent in those forums. Furthermore, global standards set by those governing bodies are not always relevant to the least developed countries or within their near-term capacity to implement.

94. The proposed 2010 reforms of the International Monetary Fund (IMF) Executive Board and countries' quotas, even when they have entered into force, will not completely address the persistent erosion of the quota shares of least developed countries and will also not increase their voice and participation to a level that is commensurate to their demographic size and degree of engagement of IMF in the least developed countries.

IV. Engagement of stakeholders in the implementation of the Istanbul Programme of Action

A. Efforts by Member States to implement the Istanbul Programme of Action

95. Four years after the adoption of the Istanbul Programme of Action, implementation of the Programme is under way in most least developed countries. Initially, least developed countries aligned their national development strategies and plans with the Programme and then moved towards implementation, follow-up and monitoring of the Programme.

96. Progress made at the country level is discussed in an annual workshop for the national focal points of the least developed countries, organized by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The national focal points meeting held in July 2014 provided an opportunity for least developed countries to present the progress made and challenges encountered in the implementation of the Istanbul Programme of Action. A large number of the least developed countries reported progress but also highlighted remaining challenges, and some elaborated on plans to graduate from the least developed country category.

97. In line with the principles agreed in Istanbul, the Lao People's Democratic Republic mainstreamed the objectives and priorities into its Seventh Five-year National Socioeconomic Development Plan (2011-2015) and is implementing it through annual national socioeconomic plans. Progress has been achieved in several areas, and, with regard to productive capacity, the Government has put emphasis on transport and rural electrification and the country is moving from landlocked to "land-linked", with 82 per cent of households having access to electricity. Similarly, following the direction of the Istanbul Programme of Action, the national growth and poverty reduction strategy of Mali aims at promoting economic growth and poverty eradication. To achieve increased production, Mali has emphasized the importance of infrastructure development, access to energy, agricultural development and improved access to industrial zones.

98. Lesotho is also addressing the priorities of the Istanbul Programme of Action through the implementation of its National Strategic Development Plan. The plan, which focuses on building productive capacity, aims to reap the benefits of sustained broad economic growth in the form of jobs, enhanced skills, improved health and poverty eradication. Zambia has implemented the Istanbul Programme of Action through its national development plan, which is its medium-term instrument to achieve its national vision of becoming a prosperous middle-income country by 2030. Zambia has also, and for the first time, developed a planning and budgeting policy, which guides further coordination between national development planning and budgeting processes.

99. The least developed countries have also encountered challenges in the implementation of the Istanbul Programme of Action, including unstable or deteriorating political and security situations and increased volatility in external assistance. Several least developed countries report the lack of access to energy as a major challenge for building productive capacities, including the Comoros, Madagascar and Mali. However, a number of least developed countries report new and ongoing projects addressing the energy access challenges and tapping into sources of renewable energy. For example, the Democratic Republic of the Congo has articulated a number of ongoing hydropower project initiatives and is considering solar and wind alternatives for energy production.

100. It is of concern that least developed countries have received lower flows out of an expanding volume of ODA. That has come in the wake of significant fluctuations of ODA flows to least developed countries in recent years. However, bucking the downward trend, several bilateral donors have kept a clear and explicit focus on least developed countries. A number of bilateral donors have a high share of least developed countries in their priority country lists, including Finland, France, Switzerland and the United Kingdom.

B. Progress on graduation

101. Significant progress has been achieved with respect to graduation from the least developed country category. In its 2015 review, the Committee for Development Policy recommended Angola for graduation. Kiribati also met the graduation criteria for the second time but was not recommended owing to uncertainties related to its extremely high economic vulnerability. Furthermore, Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste met the graduation criteria for the first time (see E/2015/33).

102. In addition, an encouraging number of least developed countries have announced their ambition to graduate from the least developed country category. Several countries began work towards graduation by developing graduation strategies with the support of their development partners. Bhutan, the Lao People's Democratic Republic and Nepal included clear timelines for graduation in their national development plans. The challenges and vulnerabilities imposed on some least developed countries, especially those that are also small island developing States, have an impact on their graduation plans. For example, Vanuatu began work towards graduation and established a committee on graduation and smooth transition. Nevertheless, Vanuatu has emphasized that the transition period is temporary and does not provide remedy to permanent challenges faced by a country prone to

earthquakes, tsunamis and cyclones, as was demonstrated in March 2015, when a cyclone hit the Pacific island State and caused severe and widespread damage.

103. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States led a joint United Nations mission with the United Nations Development Programme (UNDP), the Department of Economic and Social Affairs of the Secretariat, the United Nations Conference on Trade and Development (UNCTAD) and the Economic and Social Commission for Asia and the Pacific (ESCAP) to Myanmar in December 2014. The mission worked with the Government on preparing a graduation strategy through a coordinated United Nations approach. Myanmar has so far established a high-level committee on graduation headed by the Vice-President and specific subcommittees for each of the graduation criteria, and is also currently preparing a national comprehensive development plan aimed at aligning national priorities with the sectors that are key drivers for graduation. Finally, the Office of the High Representative and UNDP organized a ministerial meeting of the Asia-Pacific least developed countries on graduation and the post-2015 development agenda, held in Kathmandu from 16 to 18 December 2014.

C. Support by the United Nations system and regional and international organizations for least developed country priorities

104. The Office of the High Representative continued its work to raise international awareness and place the special development challenges of the least developed countries high on the global development cooperation agenda, including with the support of the Department of Public Information of the Secretariat. The Office of the High Representative focused its advocacy on reflecting those countries' needs and priorities in the formulation of the post-2015 development agenda and sustainable development goals. The Office of the High Representative organized several events dedicated to fostering partnerships between the least developed countries and development partners, especially the Group of Friends of Least Developed Countries, including three ministerial meetings, a consultative meeting and a large number of briefings and discussions among the least developed countries on financing for development and the post-2015 development agenda.

105. The analytical work of the Office of the High Representative on issues specific to least developed countries undergirded its second flagship report entitled "State of the Least Developed Countries, 2014" published in October 2014.[10] The report focused on extreme poverty eradication in the least developed countries and the post-2015 development agenda.

106. United Nations regional commissions continued to pay special attention in their programming to the needs of least developed Member States. The Economic Commission for Africa (ECA) provided support for many African development initiatives such as infrastructure networks, including cross-border transportation, energy access, efficiency and clean technology and trade, financing and investment negotiations. ECA also provided technical assistance specific to least developed countries on graduation and smooth transition. The Office of the Special Adviser on

[10] Available from http://unohrlls.org/custom-content/uploads/2014/10/State-of-the-Least-Developed-Countries-Report-2014.pdf.

Africa has coordinated United Nations system and international support for the implementation of the New Partnership for Africa's Development, strengthening the endeavours of African least developed countries towards inclusive economic growth and sustainable development.

107. ESCAP provided assistance specifically directed to several Asia-Pacific least developed countries that had indicated their ambition to graduate from the least developed countries category by or around 2020, including through a regional meeting on financing graduation gaps in Dhaka in October 2014, in collaboration with the Government of Bangladesh. The Economic Commission for Latin America and the Caribbean supported Haiti through a project on social protection and conditional cash transfers. In the Sudan and in Yemen, the Economic and Social Commission for Western Asia provided advisory services and capacity-building in the areas of human and social development, good governance, women's empowerment, climate change and environmental sustainability, and productive capacity focusing on energy and information and communications technology (ICT).

108. UNCTAD continued to assist least developed countries with trade, trade facilitation, investment and market access through its dedicated research and policy analysis, technical assistance and intergovernmental consensus-building activities. UNCTAD also started developing quantifiable indicators with a view to measuring and benchmarking economy-wide productive capacities in least developed countries. The UNCTAD report entitled *The Least Developed Countries Report 2014* examined linkages between structural transformation, economic growth and human development.[11]

109. The WTO secretariat provided support to least developed countries by way of technical assistance and capacity-building activities, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Standards and Trade Development Facility. In December 2014, the Enhanced Integrated Framework Steering Committee extended the programme into a second phase, set to start in 2016. The first phase results included increased private sector development and employment in some of the poorest beneficiary countries. Contributions to the Least Developed Countries Fund totalled $201.4 million in 2014. Annual contributions dropped slightly from $12.61 million in 2013 to $10.45 million in 2014. In 2014, relevant WTO committees started to implement the least developed countries decisions adopted at the Ninth Ministerial Conference of the World Trade Organization, held in Bali, Indonesia, from 3 to 7 December 2013, on duty-free and quota-free market access, preferential rules of origin, the least developed countries services waiver and the development aspects of cotton.

110. The International Trade Centre continued to provide technical cooperation to least developed countries in export promotion and trade development through country-specific projects or multi-country and regional projects. In 2014, the Centre launched a project for strengthening the exporting capacities of Asian least developed countries to the Chinese market. Advisory services were delivered to private sector and Governments of least developed countries in the early stages of accession to WTO to raise awareness and build business support.

[11] United Nations publication, Sales No. E.14.II.D.7.

111. Based on its mandate to promote and accelerate inclusive and sustainable industrial development in developing countries and economies in transition, the United Nations Industrial Development Organization (UNIDO) supported the implementation of the Istanbul Programme of Action through the development of partnership country programmes in least developed countries, building trade and industrial capacity, policy support and statistics, income generating activities and the empowerment of communities, infrastructure development and renewable energy and the environment.

112. IMF continued to work with low-income countries, many of which are least developed countries, to help mitigate the impacts of the global financial crisis and to increase their resilience to future shocks by assisting them in rebuilding their policy buffers. It accomplished that through the reform of its own lending instruments and policies as well as the provision of technical assistance. The temporary interest relief through a zero interest rate policy on all outstanding concessional borrowing was extended from the end of 2014 to the end of 2016.

113. The overarching goal of the Istanbul Programme of Action coincides in substance with the two goals set by the World Bank Group in its new strategy adopted in 2014: lowering extreme poverty to 3 per cent by 2030 and promoting shared prosperity by fostering the income growth of the bottom 40 per cent in every country. In 2014, International Development Association commitments rose to a record $22.2 billion from $16.3 billion in the previous fiscal year.

114. The United Nations Capital Development Fund's overall approach to supporting least developed countries is framed by the Istanbul Programme of Action. The Capital Development Fund continued its work on two primary interconnected areas, financial inclusion and local development finance, as a way to promote inclusive growth in least developed countries and the mobilization of both private and public domestic resources, while using ODA as a key driver to leverage domestic savings and capital.

115. The International Telecommunication Union continued to implement actions to help least developed countries bridge their digital gap and leverage the power of ICT and broadband as a fundamental driver for development.

116. The United Nations Children's Fund (UNICEF) continued to provide focused attention and support to least developed countries on issues such as child mortality, malnutrition and stunting, humanitarian assistance and long-term development for vulnerable children. UNICEF also provided technical assistance on the expansion and strengthening of the monitoring process for improving service delivery to least developed countries. The United Nations Population Fund (UNFPA) worked on areas of maternal health and family planning through strengthening the national capacity of least developed countries to incorporate population issues in relevant national public policies, plans and expenditure frameworks. It also assisted least developed countries in reducing maternal mortality and in accessing affordable, life-saving family planning options. UNFPA was also heavily involved in the Ebola-affected least developed countries, assisting with contact-tracing activities and maintaining and restoring maternal health services.

117. The Joint United Nations Programme on HIV/AIDS (UNAIDS) delivers on 15 thematic areas, including, inter alia, prevention of sexual transmission of HIV; HIV treatment; prevention among people who inject drugs; punitive laws, stigma

and discrimination; HIV and education; and HIV-related social protection. The interventions of UNAIDS under the global plan for the elimination of new HIV infections among children and keeping their mothers alive led to a prevention rate of mother-to-child infection of 69 per cent in least developed countries in 2013 compared with 32 per cent in 2010, a remarkable sign of progress in curbing the epidemic in those countries.

118. The United Nations Environment Programme provided support to the least developed countries through building capacity and technology support services on several thematic areas of their programme of work, including climate change, disasters and conflict, environmental governance, resource efficiency and sustainable consumption and production.

119. UNDP assisted least developed countries in good governance, trade capacity and strategies, agriculture food security and rural development while also providing support on graduation and smooth transition through trade-related technical assistance, resource mobilization assistance and supporting development capacity actions. Furthermore, UNDP assisted least developed countries in the formulation and implementation of green, low-emission, climate-resilient strategies that allow more effective responses to emerging opportunities in the climate change finance landscape.

120. The main activities of the United Nations Educational, Scientific and Cultural Organization in least developed countries included promoting quality education, training and skills development, promoting gender equality and the empowerment of women and building productive capacities in energy and ICT, as well as in science, technology and innovation.

121. The United Nations Office on Drugs and Crime assisted least developed countries in fighting against corruption, transnational crime, illicit trafficking and the smuggling of immigrants and supported those countries with regard to criminal justice. It continued providing technical assistance and substantive secretariat services to advance the implementation of the United Nations Convention against Corruption.

D. Efforts by other stakeholders to implement the Istanbul Programme of Action

122. On South-South cooperation, a number of least developed countries have strengthened cooperation with Southern countries. Eritrea, for example, has implemented several development projects with China and other Southern partners. Mauritania has benefitted from the opening of foreign banks, originating from Southern countries, supporting the development of private sector activities.

123. South-South and triangular cooperation was discussed at the ministerial meeting on new partnerships for productive capacity-building in least developed countries, held in Cotonou, Benin, from 28 to 31 July 2014, where the South-South Technology Transfer Facility for least developed countries was launched. The joint initiative between the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the United Nations Office for South-South Cooperation aims to use the South-South Global Assets and Technology Exchange's global technology transfer

platform to bring targeted support to least developed countries and is designed to enable South-South transfer of viable, sector-specific technologies for developing and strengthening capacities and production in least developed countries. One of the first activities under that facility, hosted in Benin with UNDP support, was a memorandum of understanding signed between representatives of the Songhai Centre in Benin and Bio-green Investments East Africa in Uganda, representing a potential investment of over $10 million.

124. Academia has remained very active in implementing the Istanbul Programme of Action. LDC IV Monitor, a group of think tanks and academic institutions from least developed countries and partner countries, launched a new publication entitled *Istanbul Programme of Action for the Least Developed Countries (2011-2020): Monitoring Deliverables, Tracking Progress — Synthesis Report* in October 2014.[12]

125. Furthermore, the high-level panel on the feasibility of a technology bank for least developed countries comprises mainly renowned academics from least developed countries and their development partner countries. The high-level panel met for the first time in February 2015 in Turkey to provide its guidance on a feasibility study on the establishment of the technology bank.

126. Civil society, and especially LDC Watch, has advocated for the implementation of the Istanbul Programme of Action on various fronts, including discussions on the post-2015 development agenda and financing for development. With the support of the International Institute for Environment and Development, a high-level least developed countries independent expert group on the post-2015 development agenda, chaired by the former Prime Minister of Haiti, Michèle Duvivier Pierre-Louis, has been convened to provide ideas and challenges that support a more ambitious, effective and fair global set of new goals for environmental sustainability and human development. The ONE campaign contributed to events that supported the efforts by least developed countries to frame their positions in the context of the post-2015 development agenda and financing for development.

127. The Office of the High Representative also actively engaged with private sector partners through the Sustainable Energy for All Advisory Board and the Broadband Commission for Digital Development. Access to sustainable energy and broadband connectivity constrain development across sectors. Those two essential ingredients to building productive capacity also require significant investment from and involvement by the private sector. By taking an active role in the Advisory Board and the Broadband Commission, the Office of the High Representative has advocated for the special challenges faced by the least developed countries.

128. The private sector was closely involved in the ministerial meeting on new partnerships for productive capacity-building in least developed countries, held in Cotonou, Benin, as well as in the ministerial meeting of the Asia-Pacific least developed countries on graduation and the post-2015 development agenda, held in Kathmandu from 16 to 18 December 2014. Through the platform of South-South Global Assets and Technology Exchange, a delegation of 115 private sector entities attended and contributed to deliberations at the ministerial meeting. The role of the private sector is also highlighted in the Cotonou Agenda for productive capacity-building in the least developed countries, which notes that a dynamic, broad-based, well-functioning and socially responsible private sector is a valuable instrument for

[12] Available from oecd.org/dev/LDC4_Synthesis_Report.pdf.

increasing investment and trade, employment and innovation, thereby generating economic growth and eradicating poverty and serving as an engine for industrialization and structural transformation.

E. Preparatory process for the comprehensive high-level midterm review of the Istanbul Programme of Action

129. In its resolution 69/231, the General Assembly decided to convene a comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action in June 2016, in Antalya, Turkey, for a period of three days. Participation will be at the highest possible political level and be open to all stakeholders of the Istanbul Programme of Action. The General Assembly entrusted the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States with the mandate to ensure effective and efficient, broad-based preparations for the event.

130. The comprehensive high-level midterm review to be held in 2016 will assess progress made and constraints encountered in the implementation of the Istanbul Programme of Action by the least developed countries and their development partners and serve to reaffirm the global commitment and partnership for the development of least developed countries in order to ensure its timely and effective implementation during the remainder of the decade, while taking into account the post-2015 development agenda.

131. The intergovernmental process will entail preparations at national, regional and global levels. National reports of the least developed countries, undertaken in a broad-based and inclusive manner with the support of United Nations country teams, and two regional reviews are expected to shed light on key accomplishments and critical constraints in delivering the goals of the programme, with special emphasis on progress in building productive capacities and towards meeting the graduation criteria.

132. In collaboration with the Government of Cambodia, ESCAP organized the High-level Policy Dialogue on the Implementation of the Istanbul Programme of Action for the Least Developed Countries, held in Siem Reap, Cambodia, in March 2015, during which policymakers, experts and development partners discussed progress in and challenges to the implementation of the Istanbul Programme of Action in the region. The meeting underscored that graduating from the least developed country category was not simply about "checking the boxes" of the graduation criteria, but about promoting sustainable and inclusive growth to improve the livelihoods of the 300 million people living in the Asia-Pacific least developed countries. The participants called on all stakeholders to deliver on the commitments made in Istanbul. The Siem Reap outcome document is to be considered by the seventy-first session of the ESCAP Commission at the end of May 2015 and form an input for the comprehensive high-level midterm review to be held in 2016.

133. ECA, in collaboration with the Office of the High Representative, organized the biennial review of the implementation of the Istanbul Programme of Action in Africa. The review reported that African least developed countries had made mixed progress towards achieving the goals and targets of the Programme of Action and continued to be confronted with multiple and complex development challenges, and called for further efforts from those countries and their development partners. The

review welcomed the offer of the Government of Italy to host a ministerial meeting of African least developed countries on structural transformation, graduation and the post-2015 development agenda, to be held in Milan, Italy, from 8 to 10 June 2015, and requested ECA, in collaboration with the Office of the High Representative, to convene a full-fledged expert-level regional midterm review on the implementation of the Istanbul Programme of Action prior to the ministerial meeting so as to ensure that the outcome of that expert-level regional midterm review would feed into the ministerial meeting of African least developed countries. The expert-level regional midterm review was convened in May 2015 in Algiers.

134. The Office of the High Representative has fully mobilized United Nations system involvement in the preparatory process through the existing Inter-Agency Consultative Group for Least Developed Countries. Inter-Agency Consultative Group partners undertook to prepare sectoral appraisals and organize pre-conference events in their respective fields of competence as further inputs to the comprehensive high-level midterm review to be held in 2016. Furthermore, the Secretary-General was invited to convene a United Nations system high-level event during the comprehensive high-level midterm review with a view to renewing its commitment to provide coordinated and timely support to the implementation of the Istanbul Programme of Action and the outcome of the review. In that regard, the Office of the High Representative made progress in the preparation of a toolkit for mainstreaming the Programme of Action into the work of United Nations system organizations for consideration by the Inter-Agency Consultative Group at its fall 2015 session and for endorsement at the United Nations system high-level event mentioned above.

135. All stakeholders of the Istanbul Programme of Action are invited and able to effectively participate in and contribute to the preparatory process as well as the comprehensive high-level midterm review itself. A multi-stakeholder special event is to take place under the aegis of the President of the General Assembly in early 2016 with the participation of Member States, non-governmental organizations, civil society, the private sector and academic institutions to provide input to the comprehensive high-level midterm review. In recognition of the key importance of strong private sector involvement in the development of least developed countries, a private sector forum on investment opportunities in least developed countries will also be organized during the comprehensive high-level midterm review.

V. Conclusions and recommendations

136. The implementation of the Istanbul Programme of Action, now in its fourth year, has seen continued progress by the least developed countries towards meeting the Programme's goals and targets. Nonetheless, poverty is still widespread in many least developed countries, with 46 per cent of their population living in extreme poverty.[13] Though they have made substantial gains, many least developed countries are not likely to reach the Millennium Development Goals or the targets included in the Programme of Action in a timely manner. Increased efforts and concrete actions in the eight priority areas of the Programme need to be taken by both the least developed countries and their development partners in order to achieve the goals and targets agreed in Istanbul, Turkey, by the end of the decade.

[13] The figure is based on the latest data available for each country.

137. Yet, there are important areas of progress that give hope to realizing key objectives of the Istanbul Programme of Action, including the reduction of poverty and hunger, rebounding growth, fledgling structural transformation and a number of countries graduating or in the process of graduation. Equally important is that an increasing number of least developed countries have declared intent to graduate, showing their commitment to the overarching objective of the Istanbul Programme of Action. New initiatives such as the technology bank and an investment promotion regime for least developed countries signify continued support by the international community in favour of least developed countries. Those developments augur well for a strengthened partnership for least developed countries at the comprehensive high-level midterm review of the Istanbul Programme of Action to be held in Antalya, Turkey, in June 2016, as called for in General Assembly resolution 69/231.

138. Looking towards the comprehensive high-level midterm review of the Istanbul Programme of Action, actions in some key areas would help put least developed countries on a path of stronger growth and sustainable development. For example, progress in building productive capacity in the least developed countries is critical to achieving the other seven priorities of the Istanbul Programme of Action. Overall growth in the least developed countries slowed somewhat but is expected to increase in the coming years with stronger delivery on commitments by least developed countries and their development partners. The structural transformation of the least developed countries, however, was fledgling and insufficient, and investment rates, which are low but improving, need to be further accelerated and sustained over a long period of time.

139. Progress was made in infrastructure areas such as improving access of the population in least developed countries to mobile/cellular telephone services, improving road networks and conditions, increasing the volume of air transport and enhancing shipping connectivity. Enrolment in primary and secondary education also increased, while child and maternal mortality continued to decrease. Further national and global efforts are needed to sustain and accelerate the pace of those improvements.

140. Government revenues in the least developed countries have been rising slowly in proportion to GDP, but remain far behind levels in other developing countries. The capacity of the least developed countries to efficiently collect taxes, broaden their tax bases, reduce the flow of illicit capital and administer customs needs to be strengthened through financial and technical support. Those efforts could also contribute to the continuing success of several least developed countries that are among the leading countries in easing obstacles to business creation and operation.

141. Challenges to the progress of least developed countries remain, with some new and increasing risks and uncertainties threatening their development gains. External shocks such as natural disasters, the slow onset of disasters caused by climate change and the spread of infectious diseases can wreak havoc on vulnerable economies and contribute to destabilizing their social, political and security situations. The Ebola crisis has highlighted the importance of ensuring health security in least developed countries. The recent sharp drop in ODA to the least developed countries is a cause for concern, and while its level is expected to stabilize by 2017, there is a trend of stagnation in assistance to heavily aid-dependent countries. However, several Development Assistance Committee members also increased their ODA to least developed countries in spite of national economic constraints. The least developed

countries should be given more priority in the allocation of aid and other resources with enhanced quality and concessionality, as set out in the commitments agreed on in the Istanbul Programme of Action.

142. The least developed countries and their development partners have undertaken several new initiatives in infrastructure, energy, private sector development, youth employment and resilience to shocks. Those are critical elements to strengthen productive capacity and reduce vulnerability, and need to be expanded and scaled up across the least developed countries. Capacity-building for collecting and processing timely and accurate data is crucial in that respect as well as in strengthening mutual and national accountability. It is especially critical in areas where the Istanbul Programme of Action overlaps with the sustainable development goals, for which the least developed countries will need enhanced statistical capacity to monitor progress.

143. The least developed countries continued to increase their volume of exports, though trade deficits grew as well and the share of least developed countries in world trade remains marginal. Improving productive capacity is key to diversifying exports towards non-primary goods and high value-added services. Developing countries have played an increasingly important role as destinations for exports from the least developed countries. More progress is needed in granting duty-free and quota-free market access to the least developed countries. While average tariffs on exports from least developed countries declined significantly, their margin of preference compared to other developing countries has shrunk, especially for manufactured goods exports. Further assistance is also needed to reduce trade costs by strengthening inland transportation infrastructure in order to increase the competitiveness of exports and reduce the cost of imports in the least developed countries. Furthermore, the services waiver for least developed countries needs to be implemented expeditiously.

144. The Ebola crisis, which mainly affected three West African least developed countries, as well as the devastation cyclone Pam caused in least developed countries in the Pacific, brought attention to the still very high vulnerabilities of least developed countries. In that context, the Sendai Framework for Disaster Risk Reduction 2015-2030 needs to be implemented with a special focus on least developed countries. The Framework calls for enhancing the capacity of least developed countries and the provision of support, including through finance, technology transfer and capacity-building from developed countries and partners tailored to their needs and priorities, as identified by them.

145. The high vulnerability of least developed countries to climate change also needs to be addressed in that context. There is urgent need to initiate and consolidate targeted measures to enhance financial support for adaptation and mitigation in least developed countries, which should be additional to ODA and compensate for the additional costs and loss of income least developed countries face owing to climate change or mitigation measures in other countries. Furthermore, an enhanced level of capacity-building and technological support will play an important role in building resilience in least developed countries.

146. In addition to important aspects of the implementation of the Istanbul Programme of Action has been the remarkable 14 per cent increase in FDI inflows to the least developed countries between 2012 and 2013. While the flows were still marginal as a proportion of global FDI, the composition of investment flows has been increasingly oriented towards manufacturing and services rather than

extractive industries. Furthermore, the share of developing countries as the source of investment flows to the least developed countries is increasing. Those trends need to be strengthened, scaled up and directed to where they could contribute most to developing productive capacity and integrating the least developed countries into global production and value-chains and distribution networks. Supporting measures would include development partners extending risk assurance, guarantee schemes and tax incentives to firms investing in the least developed countries, as well as establishing an international investment support mechanism to assist the least developed countries in negotiating contracts, resolving investment-related disputes and establishing FDI-friendly regulatory and legal frameworks in a comprehensive manner with targeted initiatives.

147. The high-level panel on the technology bank met in early 2015 and is preparing a feasibility study for the establishment of a technology bank and a science, technology and innovation supporting mechanism dedicated to the least developed countries. It is crucial that that institution be operationalized as soon as possible, since it is critical to the implementation of the Istanbul Programme of Action, especially given its potential to increase productive capacity, structural transformation, poverty reduction and sustainable development.

148. South-South and triangular cooperation was also strengthened through a ministerial meeting held in Cotonou, Benin, in 2014. Many least developed countries also increased their cooperation with Southern countries. Those relationships need to be deepened and scaled up, using a more institutionalized approach to collaboration. Specifically, deploying financing from all sources, including innovative sources, would have a positive impact on the implementation of the Istanbul Programme of Action.

149. The Istanbul Programme of Action should be fully taken into account in setting up the post-2015 development agenda and sustainable development goals, as it has clearly prioritized the three pillars of sustainable development and poverty eradication in least developed countries. Furthermore, as it is based on mutual accountability as well as on a holistic and transformative approach to development, increased coherence could contribute greatly to putting least developed countries on the path towards inclusive and sustainable development. Means of implementation are key to attaining all of the development goals and a multi-stakeholder approach would be critical. Least developed countries should be given due priority in the allocation of ODA in view of their larger dependence, but trade, investment, debt and technology- and capacity-building should also be directed towards those countries to get them out of persistent poverty and alleviate structural constraints.

150. In view of the multiple and persistent vulnerabilities of least developed countries, their views, concerns and expectations should be duly reflected in all the global processes, including financing for sustainable development, the post-2015 development agenda, the United Nations Framework Convention on Climate Change and the Tenth Ministerial Conference of the World Trade Organization, to be held in Nairobi in December 2015, among others. At the bottom of the development ladder and holding great potential, least developed countries deserve special priority in all the global development programmes.

151. Continued efforts by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to support and advocate for the least developed countries are

essential for raising international awareness and reflecting the needs and priorities of the least developed countries in the post-2015 development agenda and sustainable development goals. With financial support from several development partners, the Office of the High Representative organized several ministerial and consultative meetings, as well as many briefings and discussions among the least developed countries themselves on financing for development and the post-2015 development agenda. The second flagship report of the Office of the High Representative, entitled "State of the Least Developed Countries, 2014", focused on the eradication of extreme poverty in the least developed countries and the post-2015 development agenda. Continued efforts are dedicated to organizing annual workshops for the national focal points of the least developed countries, with a special focus on preparing for the midterm review of the implementation of the Istanbul Programme of Action in 2016, and its integration with the post-2015 development agenda.

152. The United Nations system as well as several regional and international organizations strengthened their support of the least developed countries and their specific needs through the numerous activities noted above. The Office of the High Representative has also mobilized the United Nations system through the Inter-Agency Consultative Group for Least Developed Countries, whose members will prepare sectoral appraisals and organize thematic events as further inputs to the comprehensive high-level midterm review. The Office of the High Representative has also made progress in the preparation of a toolkit for mainstreaming the Istanbul Programme of Action into the work of United Nations system organizations.

153. In addition to the overall progress achieved towards graduation from the least developed country category, several countries met the graduation criteria for the first time and one was recommended for graduation. Even more encouragingly, an increasing number of least developed countries have expressed their ambition to graduate and have begun work with their development partners on developing graduation strategies, including set timelines. Further support on graduation and smooth transition is needed from the Office of the High Representative, development partners from both North and South and the United Nations system, including through technical assistance and capacity development for resource mobilization, in order to continue and accelerate the effective implementation of the Istanbul Programme of Action.

154. The comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action to be held in 2016 is a unique opportunity to engage all stakeholders in a thorough assessment of progress made and lessons learned in the implementation of the Programme by the least developed countries and their development partners. It should also reaffirm the commitments to and strengthen the partnerships for implementation, including an evaluation of the way forward in the remaining five years, as well as ensure coherence between the priorities of the least developed countries and the post-2015 development agenda. National, regional and global perspectives need to feed into the review process with a clear focus on building productive capacity in a holistic manner and making progress towards poverty eradication, structural transformation and sustainable development.

Annex

Data

1. The indicators contained in the present annex were calculated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States using the latest information available from official, published sources, which are cited with each table. Owing to differences in methodology, the aggregates published here may differ somewhat from other published sources.

2. Aggregates are weighted as appropriate, treating all countries in the group as if they were one country, with the exception of the Liner shipping connectivity index (table 2), in which simple averages are shown. In cases where data for a particular country are unavailable for one or more of the time periods shown, data for that country have been omitted from the aggregates for that indicator.

3. Years separated by a hyphen, such as 2001-2010, indicate data based on averages in the period shown, unless otherwise indicated in the notes to the tables. Years separated by a slash, such as 2009/2010, indicate that data are shown for the most recent year available in the period.

4. A more detailed dataset with figures for individual countries is available at http://unohrlls.org/about-ldcs/indicators-and-statistics/.

Table 1
Economic growth and poverty

	Annual growth rate of gross domestic product (in constant United States dollars, percentage)							*Percentage of population below international poverty line*
	2009	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2001-2013*
African least developed countries	4.6	5.6	3.7	2.9	5.2	4.8	5.8	51.7
Asian and Pacific least developed countries	6.8	7.0	3.4	6.5	5.9	5.6	6.0	40.0
All least developed countries	**5.4**	**6.1**	**3.6**	**4.2**	**5.4**	**5.1**	**5.9**	**49.9**

Source: United Nations Statistics Division (http://unstats.un.org/unsd/databases.htm); World Bank, Development Research Group (http://iresearch.worldbank.org/PovcalNet/index.htm); United Nations Department of Economic and Social Affairs; International Monetary Fund.

Note: Figures for the proportion of the population below the poverty line are averages of all available observations between 2001 and 2013.

Table 2
Productive capacity

Value-added share of manufacturing, agriculture and services	*African least developed countries*		*Asian and Pacific least developed countries*		*All least developed countries*	
	2001-2010	*2011-2013*	*2001-2010*	*2011-2013*	*2001-2010*	*2011-2013*
Value-added share of manufacturing (percentage of gross domestic product)	8.4	7.5	13.7	14.0	**10.3**	**9.6**
Value-added share of agriculture (percentage of gross domestic product)	26.4	22.6	21.9	20.5	**24.7**	**21.9**
Value-added share of services (percentage of gross domestic product)	41.9	40.2	50.6	52.9	**44.6**	**44.1**
Gross capital formation (percentage of gross domestic product)	22.3	23.0	24.4	27.6	**23.0**	**24.4**
Internet and mobile cellular subscriptions	*2010*	*2013*	*2010*	*2013*	*2010*	*2013*
Internet users (per 100 people)	4.6	6.7	4.1	7.3	**4.4**	**7.0**
Mobile-cellular subscriptions (per 100 people)	31.3	50.5	37.8	66.1	**33.8**	**56.2**
Connectivity	*2010*	*2013*	*2010*	*2013*	*2010*	*2014*
Air transport, freight (million ton-km)	1.2	1.9	0.9	0.8	**1.1**	**1.5**
Air transport, passengers carried (per 1,000 people)	18.0	23.9	29.4	32.4	**22.0**	**26.8**
Liner shipping connectivity index	7.5	9.6	5.8	7.8	**7.1**	**9.0**
Energy	*2000*	*2010*	*2000*	*2010*	*2000*	*2010*
Access to electricity (percentage of population)	13.1	19.1	39.1	52.9	**23.6**	**31.5**
Urban	43.9	53.8	85.3	87.8	**60.2**	**66.1**
Rural	2.4	5.4	21.3	39.8	**10.0**	**18.0**
Share of renewable capacity in total capacity (percentage)	74.9	70.9	29.1	36.5	**57.0**	**55.1**
Change in total installed generation capacity per capita, 2000-2010		17.9		70.3		**30.1**
Scientific and technical journal articles	*2001-2010*	*2011*	*2001-2010*	*2011*	*2001-2010*	*2011*
Articles per 1,000,000 people	1.8	2.0	1.2	1.5	**1.5**	**1.8**

Source: World Bank national accounts data (http://databank.worldbank.org/data/home.aspx); United Nations Statistics Division (http://unstats.un.org/unsd/databases.htm); International Telecommunication Union, World Telecommunication/ICT Development Report and database, and World Bank estimates; World Development Indicators (http://databank.worldbank.org); United Nations Conference on Trade and Development, Review of Maritime Transport 2010; Sustainable Energy for All Global Tracking Framework (http://www.se4all.org/tracking-progress).

Table 3
Agriculture, food security and rural development

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2000-2008	*2009-2013*	*2000-2008*	*2009-2013*	*2000-2008*	*2009-2013*
Malnutrition prevalence (percentage of children under 5)						
Weight for age (underweight)	26.1	23.0	38.4	32.9	**29.7**	**25.5**
Height for age (stunting)	44.5	39.7	45.0	41.1	**44.5**	**39.9**

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
	2000-2008	*2009-2013*	*2000-2008*	*2009-2013*	*2000-2008*	*2009-2013*
Weight for height (wasting)	10.8	9.5	14.9	13.2	**12.0**	**10.4**
		2006-2011		*2006-2011*		*2006-2011*
Agricultural irrigated land (percentage of total agricultural land)		0.6		15.8		3.3
	2001-2010	*2011-2013*	*2001-2010*	*2011-2013*	*2001-2010*	*2011-2013*
Value-added share of agriculture, percentage difference	-0.8	-0.3	-0.3	-0.5	**-0.6**	**-0.4**

Source: World Health Organization, Global Database on Child Growth and Malnutrition (http://www.who.int/nutgrowthdb/en); Food and Agriculture Organization of the United Nations (http://www.fao.org/statistics/en); World Bank national accounts data (http://databank.worldbank.org/data/home.aspx).

Note: The aggregate for agricultural irrigated land (percentage of total agricultural land) reflects the median.

Table 4
Trade and commodities

	Percentage of exports in world total exports				*Exports of primary commodities, percentage of total exports*			
	2001	*2005*	*2010*	*2013*	*2001*	*2005*	*2010*	*2013*
African least developed countries	0.3395	0.5509	0.7629	0.7979	90	93	94	93
Asian and Pacific least developed countries	0.2363	0.2287	0.2943	0.3376	39	44	43	40
All least developed countries	**0.5802**	**0.7841**	**1.0610**	**1.1402**	**69**	**78**	**79**	**77**

Source: United Nations Conference on Trade and Development (http://unctadstat.unctad.org).

Table 5
Human development

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
Education and training	*2010*	*2011-2013*	*2010*	*2011-2013*	*2010*	*2011-2013*
Net enrolment in primary education (percentage)	82	83	88	92	**83**	**84**
Pupil/teacher ratio in primary education	49	45	34	33	**46**	**43**
Gross enrolment in secondary education (percentage)	32	34	51	55	**40**	**43**
Pupil/teacher ratio in secondary education	27	23	29	28	**28**	**26**
Gross enrolment in tertiary education (percentage) 2010 and 2011-2013	6	6	13	13	**7**	**8**
Population and primary health	*2005*	*Most recent*[a]	*2005*	*Most recent*[a]	*2005*	*Most recent*[a]
Under-5 mortality rate (deaths per 1,000 live births)	129	89	75	52	**114**	**81**

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
Education and training	*2010*	*2011-2013*	*2010*	*2011-2013*	*2010*	*2011-2013*
Infant mortality rate (deaths per 1,000 live births)	80	60	56	41	73	55
Maternal mortality rate (deaths per 100,000 births)	612	494	375	269	543	433
Contraceptive prevalence (percentage of women aged 15-49)		20		47		31
HIV prevalence (percentage of population aged 15-49)	3.7	3.0	0.3	0.2	2.3	1.9
Youth development	*2000-2009*	*2010-2012*	*2000-2009*	*2010-2012*	*2000-2009*	*2010-2012*
Youth literacy (percentage of population aged 15-24)	67	70	72	84	70	77
Female literacy (percentage of female population aged 15-24)	61	65	70	85	66	76
Shelter, water and sanitation	*2005*	*2012*	*2005*	*2012*	*2005*	*2012*
Percentage of population using an improved drinking water source	51	58	72	80	59	66
Urban	78	82	83	87	80	84
Rural	42	48	69	77	52	59
Percentage of population using an improved sanitation facility	21	25	47	55	31	36
Urban	35	38	60	65	44	47
Rural	16	20	43	51	26	31
Gender equality and empowerment of women	*2001*	*2014*	*2001*	*2014*	*2001*	*2014*
Percentage of parliamentary seats held by women	10	24	7	16	9	19
	2009-2010	*2011-2012*	*2009-2010*	*2011-2012*	*2009-2010*	*2011-2012*
Percentage of female students in primary education	48	48	48	48	48	48
Percentage of female students in secondary education	42	44	47	48	45	46
Percentage of female students in tertiary education	37	37	36	39	36	38

Source: United Nations Educational, Scientific and Cultural Organization Institute for Statistics (http://www.uis.unesco.org); Inter-agency Group for Child Mortality Estimation (http://www.childmortality.org); Maternal Mortality Estimation Inter-agency Group (http://www.maternalmortalitydata.org); World Development Indicators (http://databank.worldbank.org); Joint United Nations Programme on HIV/AIDS estimates (http://www.unaids.org/en/dataanalysis/datatools/aidsinfo); World Health Organization/United Nations Children's Fund Joint Monitoring Programme for Water Supply and Sanitation (http://www.wssinfo.org); Inter-Parliamentary Union (www.ipu.org).

[a] Most recent figures for under-5 mortality, infant mortality and HIV prevalence are dated 2013. Figures for maternal mortality are dated 2010. Contraceptive prevalence figures are an average of reported data from 2001-2012.

Table 6
Multiple crises and emerging challenges

	African least developed countries		*Asian and Pacific least developed countries*		*All least developed countries*	
Debt	*2010*	*2011-2013*	*2010*	*2011-2013*	*2010*	*2011-2013*
Total reserves (percentage of external debt)	47.6	54.5	66.5	68.4	**55.1**	**60.1**
Total debt service (percentage of exports of goods, services and income)	3.9	4.6	3.5	3.8	**3.8**	**4.3**
Total debt service (percentage of government expenditure)[a]	9.7	11.4	17.0	18.8	**11.4**	**12.8**
Deforestation	*1990*	*2012*	*1990*	*2012*	*1990*	*2012*
Forest area (percentage of land area)	32.9	26.2	32.3	26.9	**32.8**	**26.3**
Percentage change 1990-2012		-20		-17		**-20**

Source: International Monetary Fund, International Financial Statistics and data files (http://www.imf.org/external/data.htm); World Bank, International Debt Statistics (http://databank.worldbank.org).

[a] *The figures for total debt service during the period 2011-2013 reflect the last available data from within that period.*

Table 7
Mobilizing financial resources for development and capacity-building

	Gross domestic savings (percentage of gross domestic product)			*Government revenue, excluding grants (percentage of gross domestic product)*		
	2001-2010	*2012*	*2013*	*2001-2010*	*2011*	*2012*
African least developed countries	19.4	23.0	20.6	15.6	17.3	17.2
Asian and Pacific least developed countries	17.6	19.1	19.3	11.8	14.9	16.0
All least developed countries	**18.6**	**21.4**	**19.9**	**13.9**	**16.3**	**16.6**

Source: World Bank national accounts data (http://databank.worldbank.org); International Monetary Fund, Government Finance Statistics Yearbook and data files (http://www.imf.org/external/data.htm).

Note: Aggregate figures for the Government revenue, excluding grants (percentage of gross domestic product) reflect the median.

Table 8
External debt and debt forgiveness

	External debt stock (percentage of gross national income)		*External debt stock, percentage point difference*	*Debt forgiveness or reduction, cumulative since 2003 (percentage of gross domestic product)*
	2012	*2013*	*2012-2013*	*2003-2013*
African least developed countries	28	30	2	-14
Asian and Pacific least developed countries	24	24	-1	-2
All least developed countries	**26**	**28**	**1**	**-10**

Source: World Bank, International Debt Statistics (http://databank.worldbank.org).

Table 9
Aid from Organization for Economic Cooperation and Development Assistance Committee countries to least developed countries

	Net disbursements								
	2002-2003			*2012*			*2013*		
	US dollars (millions)	*Percentage of donor's total*	*Percentage of donor's gross national income*	*US dollars (millions)*	*Percentage of donor's total*	*Percentage of donor's gross national income*	*US dollars (millions)*	*Percentage of donor's total*	*Percentage of donor's gross national income*
Australia	272	25	0.06	1 639	30	0.11	1 337	28	0.09
Austria	175	34	0.08	244	22	0.06	342	29	0.08
Belgium	737	50	0.27	704	30	0.14	813	35	0.16
Canada	564	28	0.07	1 945	34	0.11	1 849	37	0.10
Czech Republic	9	14	0.01	59	27	0.03	52	25	0.03
Denmark	636	37	0.34	1 004	37	0.31	926	32	0.27
Finland	176	34	0.12	445	34	0.18	510	35	0.19
France	2 463	39	0.15	2 533	21	0.10	3 448	30	0.12
Germany	2 025	33	0.09	3 678	28	0.11	3 368	24	0.09
Greece	57	18	0.04	56	15	0.02	45	19	0.02
Iceland	5	31	0.05	12	45	0.10	16	46	0.12
Ireland	253	56	0.22	418	52	0.24	426	50	0.23
Italy	1 169	49	0.09	701	26	0.04	958	28	0.05
Japan	2 096	23	0.05	4 640	44	0.08	7 006	60	0.14
Korea	93	29	0.02	579	36	0.05	712	41	0.05
Luxembourg	57	34	0.28	146	37	0.37	163	38	0.38
Netherlands	1 323	36	0.29	1 166	21	0.15	1 366	25	0.17
New Zealand	41	28	0.06	144	32	0.09	148	32	0.09
Norway	759	41	0.37	1 382	29	0.27	1 540	28	0.30
Poland	4	17	0.00	78	18	0.02	125	26	0.03

	Net disbursements								
	2002-2003			*2012*			*2013*		
	US dollars (millions)	*Percentage of donor's total*	*Percentage of donor's gross national income*	*US dollars (millions)*	*Percentage of donor's total*	*Percentage of donor's gross national income*	*US dollars (millions)*	*Percentage of donor's total*	*Percentage of donor's gross national income*
Portugal	179	56	0.14	177	30	0.09	143	29	0.07
Slovak Republic	3	24	0.01	15	19	0.02	21	24	0.02
Slovenia	0	–	–	10	17	0.02	11	18	0.02
Spain	388	21	0.05	483	24	0.04	449	19	0.03
Sweden	749	34	0.28	1 542	29	0.29	1 805	31	0.31
Switzerland	340	30	0 10	710	23	0.11	828	26	0.12
United Kingdom	1 855	33	0.11	4 615	33	0.19	6 203	35	0.24
United States	3 878	26	0.04	11 419	37	0.07	10 221	33	0.06
Total	**20 303**	**32**	**0.07**	**40 537**	**32**	**0.09**	**44 830**	**33**	**0.10**

Source: Organization for Economic Cooperation and Development aid statistics (http://www.oecd.org/dac/stats/).
Note: Includes imputed multilateral flows, i.e., making allowance for contributions through multilateral organizations, calculated using the geographical distribution of multilateral disbursements for the year of reference.